

Chapter V: Economic Benefits of Recreation, Tourism and Open Space

Communities around the country are learning that open space conservation is not an expense but an investment that produces important economic benefits.

–Trust for Public Land

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* Six reasons why parks, recreation, open space and land conservation makes good economic sense:

- 1) Parks and open space often increase the value of nearby properties, along with property tax revenue.
- 2) Parks and open space attract businesses and trained employees in search of a high quality of life.
- 3) Parks and open space attract tourists and boost recreational spending.
- 4) Parks and open space reduce obesity and health care costs by supporting exercise and recreation.
- 5) Working lands, such as farms and forests, usually contribute more money to a community than the cost of the services they require.
- 6) Conserved open space helps safeguard drinking water, clean the air, and prevent flooding—services provided much more expensively by other means.

* adapted from The Trust for Public Land, *Land and People*, Spring 2006

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Introduction

Communities can grow smart, attract investment, revitalize urban areas, and boost tourism, all while safeguarding the environment and preserving parks and open space. The Trust for Public Land, in their publication, “Economic Benefits of Parks and Open Space: How Land Conservation Helps Communities Grow Smart and Protect the Bottom Line” demonstrates that local governments can protect the environment and benefit economically.

Outdoor recreation is a key component of boosting local tourism. Many localities are now recognizing that by providing lands for outdoor recreation, they are able to attract tourists to their area. Hiking, camping, biking, birding, boating, fishing, swimming and skiing are some of the more popular recreation activities supported by public and private parks and open space.

Many of the same economic benefits associated with parks and open space, are also associated with a strong program of recreation activities and sports. Residents and businesses looking to locate in a community examine recreation programs available to

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youth, adults and senior adults as an important “quality of life” factor. Communities that offer quality recreation programs can reduce crime and delinquency, as well as increasing the overall health of their citizens, demonstrating that recreation programs are great community investments.

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Findings

- Tourism Spending in Virginia reached a new high in 2005. There was record growth in spending by tourists in Virginia in 2005— \$16.5 billion, a 9.6 percent increase over the 2004 figure of \$15 billion. Preliminary data from the Virginia Tourism Corporation also indicates 207,000 Virginians are directly employed in the tourism industry, with a total 2005 payroll of \$4.1 billion.
<http://www.vatc.org/>
- Virginia State Parks report 741,043 overnight visitors and 6,255,332 day-use visitors to the parks in 2005. Using a formula that is calculated by \$75 daily spending for each overnight visitor and \$16 daily spending for each day use visitor, the direct economic impact of state park visitation is \$155,663,537 statewide.
- Three 2004 Studies conducted for the Virginia Department of Conservation and Recreation assessed the demographics, preferences and economics of The Washington & Old Dominion (W&OD) Trail; The Virginia Creeper Trail (VCT); and the Waterway at the New River State Park (NRSP) determined significant economic value of trails to surrounding communities. www.dcr.virginia.gov The W&OD Trail had an estimated 1.7 million users that spent \$12 million annually related to their use of the trail. When looking at the Waterway at the NRSP, the estimated 155,000 visits for water-based recreation accounted for \$5 million in total spending for their entire trip. VCT users, including locals and nonlocals spent about \$2.5 million over the sample period related to recreation visits. Of this amount, nonlocal visitors spent about \$1.2 million directly in the Washington and Grayson County economies, supporting close to 30 jobs.
- In 2005, Virginia Tech’s Office of Economic Development (OED) completed an economic impact assessment study of the Blue Ridge Music Center (BRMC) for the National Council for the Traditional Arts in cooperation with the National Park Service. The study examined the potential impact on jobs, spending, and taxes to the Galax area of the BRMC expansion. The BRMC, through its mission, philosophies, location, new audiences, programs and exhibits, serves as a primary component of the larger regional efforts such as the Virginia Heritage Music Trail, also known as the “Crooked Road Project.”
<http://www.econdev.vt.edu/clients.html#Tourism>

- Economic impact studies, specific to Virginia, were not always available. Thus information taken from other states and regions, as well as national research was used to demonstrate the economic benefits of parks, recreation and open space in the Commonwealth.
- The U.S. Fish and Wildlife Service is conducting a survey of Americans on their participation and expenditures on fishing, hunting and wildlife-associated recreation. Preliminary survey findings will be available in Spring 2007, with final reports issued in the fall of 2007.
<http://federalaid.fws.gov/surveys/surveys.html>
- Natural open space and trails are prime attractions for potential homebuyers. American Lives, Inc. conducted a study of homebuyers for the real estate industry. They found that 77.7 % of all homebuyers and shoppers that participated in the study rated natural open space as “essential” or “very important” in planned communities. Walking and bicycling ranked third.
<http://www.americanlives.com/>
- In Dallas, Texas (Miller, 2001) homes facing one of the 14 parks studied, were found to be worth 22% more than homes a half-mile away from such an amenity.
- In Portland, (Bolitzer & Netusil, 2000) 193 parks ranging in size from .2 acres to 567.8 acres were, as a group, found to have a significant positive impact on the value of properties within a straight line distance of 1500 feet.
- Properties next to the Mountain Bay Trail in Wisconsin sell faster and for an average of 9% more than similar lots away from the trail. (Brown County Planning Commission) Homes near the Monon Trail in Indiana command selling prices 11% higher than other homes in the area. (Central Indiana Center for Urban Policy and the Environment) Property sale studies conducted in other parts of the United States confirm this trend. (Bikes Belong Coalition)

- In Virginia in 2005, 14,520,721 visitors to National Park Service sites had an economic impact of \$263 million supporting 6,100 local jobs (see Appendix ).
- Direct expenditures by birders visiting 8 selected national wildlife refuges in the United States ranged from \$0.5 million to \$14.4 million/refuge/year.
- According to a December 2005 report from the Virginia Institute of Marine Science, recreational saltwater fishing in Virginia generated \$824 million in sales, \$478 million in income and 9,090 jobs. <http://www.vims.edu/>
- One major component of ecotourism is education about the local culture and/or aspects of the natural environment. In the 2006 *Virginia Outdoor Survey*, 82% of Virginians felt that it was either “very important” or “somewhat important” to provide environmental education in Virginia state parks.
- Parks and open space create a high quality of life that attracts tax-paying businesses and residents to communities. Corporate CEOs report that employee quality of life is the third most important factor in locating a new business. Small company owners say recreation, parks, and open space are the highest priority in choosing a new location for their business.
- Youth and adult sports tournaments and events are major contributors to local tourism visitation, as are non-sport special events and festivals often sponsored by local parks and recreation departments.
- In Virginia Beach, The Sports Marketing Event Support Program is a program designed to assist organizations in attracting sports opportunities that meet one or more of the following criteria: Generate year-round overnight visitation; Contribute to the quality of life in Virginia Beach through sport; Generate regional and/or national media exposure for the City; And increase out-of-area economic impact. The goal of the grant program is to attract high quality amateur and professional sporting events, conferences and meetings which, in turn, advance and promote year-round tourism, economic impact and quality of life in the City of Virginia Beach through sport.
- The James River Advisory Council publishes an annual brochure called James River Days promoting a variety of activities sponsored by both public and private organizations that occur on and along the James River from April to September. The brochure is a cost effective partnership that promotes river activities and

enhances the economic viability of the River and surrounding community.

<http://www.jamesriveradvisorycouncil.com/>

- The USDA Forest Service reports that properly cared for, trees are valuable and growing assets, worth 3 times their investment. In a year, 100 mature trees remove 53 tons of carbon dioxide and 430 pounds of pollutants from the air, and catch 538,000 gallons of rainwater. They can save homeowners 20% on air conditioning costs and 2% on heating costs. Trees can also raise property values, each front yard tree can add 1% to the sales price and a large specimen tree can add 10% to the value of a house.
- Less than a year after their Urban Ecosystem Analysis measured a 32% tree canopy cover, American Forests recommended a 40% goal for Roanoke; the City Council passed an Urban Forestry Plan as part of the city's Comprehensive Plan. The plan's top priorities are to achieve a 40% citywide tree canopy goal within 10 years and to plant enough public trees to reverse the current annual net loss. In just a year's time Helen Smythers, Urban Forestry Planner is pleased with the city's accomplishments in the first year, including revising their landscaping ordinance and zoning, better project coordination between departments, and information sharing. <http://www.americanforests.org>
- Software such as the Money Generation Model 2 (MGM2) can be used to estimate the economic impacts of visitor spending on a local region. The MGM models estimate the impacts that park visitors have on the local economy in terms of contributions to sales, income and jobs in the area. The MGM produces quantifiable measures of park economic benefits that can be used for planning, concessions management, budget justifications, policy analysis and marketing. <http://web4.canr.msu.edu/mgm2/>
- Programs such as CITYgreen can conduct complex statistical analyses of ecosystem services and creates easy-to-understand maps and reports, and calculates dollar benefits based on specific site conditions. <http://www.americanforests.org/productsandpubs/citygreen/>

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Recommendations

- Natural Resource and Parks and Recreation Professionals at all levels need to promote the economic benefits of parks, recreation and open space to the public, as well as to policy makers and government leaders.
- Additional scientific studies should be conducted to evaluate the economic impact of parks, recreation and open space in the Commonwealth of Virginia. These studies can be used to inform and influence decision makers with regard to the support for recreation and open space projects.
- As a part of green infrastructure planning initiatives each locality in the Commonwealth should develop a Parks, Recreation and Open Space Plan that will identify important natural resources, identify future park/open space sites, identify public access opportunities. The economic benefit for open space, conservation and outdoor recreation should be included in the open space plan for each locality. A plan to fund the acquisition and development of these important natural resource investments should be integrated in to local budgets.
- The Virginia Department of Conservation and Recreation and Virginia Tourism Corporation should develop a survey to include outdoor recreation resources, to include parks, blueways, trails, and natural areas.
- Localities should consider using new technologies for evaluating economic models that assess the impact of parks, recreation and open space. State agencies working on green infrastructure data bases and modeling may in the future incorporate economic valuations of these lands.
- Localities should invest in protecting and enhancing their tree inventory. Trees provide environmental and aesthetic benefits, as well as energy savings, stormwater runoff reduction, cleaner air and higher property values.
- Public agencies need to identify eco-tourism, cultural tourism and outdoor recreation opportunities in their area, package the experiences and market them to attract additional tourists to their locality.
- Localities should seek to attract sport and recreation tournaments and events, as well as to sponsor special events and festivals to showcase their community and increase the economic vitality of their area.

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Value of Parks and Open Space

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Municipalities are finding that preserving open space and parks is a wise investment and saves tax dollars. Green Infrastructure and open space conservation is often the cheapest way to safeguard drinking water, clean the air, and achieve other environmental goals. Forested lands control erosion, help clean the air of pollutants, absorb carbon dioxide and other harmful greenhouse gasses, help shelter our houses from heat and wind. Wetlands serve as wildlife habitat, absorb storm and flood water, and reduce pollutant and sediment loads in watershed runoff. Without wetlands, society would have to pay to engineer these services; however these services are provided at no additional cost if adequate wetlands are preserved in the watershed.

The economic effects of building parks and protecting open space are sometimes easily identified, as in the case of a camp store locating next to a park entrance. However, the economic connection to quality of life is subtle and difficult to ascertain. For example, when the deciding factor for locating a company in a particular community are the quality parks and recreation facilities and open space within the community, the exact economic value of these outdoor recreation and open space resources are difficult to determine. Many communities across the country have experienced an economic revitalization due in whole or in part to the development of parks or the preservation of open space. There is growing evidence of the positive impact of parks and open space on the economic vitality of a community.

While environmental scientists, conservationists and those working in the natural resource and parks and recreation fields have intuitively known for years the importance of natural resources, it is becoming better known by other professions and politicians that these resources contribute both directly and indirectly to quality of life and to economic viability of all communities across the Commonwealth.

Urban areas benefit from parks, community gardens, and recreational open space through stimulated commercial growth and inner city revitalization. The City Parks Forum, supported by the American Planning Association, describes the role of urban parks today, “They provide formal and informal gathering places for building community. They help positively influence property values. They give city dwellers a place to connect to the natural world. They make our urban areas more inviting for living, working and relaxing.” Parks contribute to a high quality of life that attracts businesses and residents to a community, and localities benefit from the higher real estate values associated with parks and open space protection. Because of increased property value, real estate near parks generates additional tax revenues. In some cases, the increased tax revenues can pay for the cost of the park in a fairly short period of time.

Although some studies have been conducted to assess the economic value of key outdoor recreational resources in Virginia, there is a need for additional studies to document the wide range of benefits that open space and parks provide. Several studies and economic models are listed in the Findings section of this chapter. These studies and resources should help local government to better identify and demonstrate the long term economic value of land conservation and support them in making stronger recommendations for investing in parks and open space.

Tourism

Recreation and tourism are many times synonymous. Both bring enormous economic value to localities throughout the Commonwealth. In order to maximize the impact of recreation and tourism politically, specific goals and objectives should be included in the comprehensive plan for each locality. In addition, strategic plans and budgets that facilitate the incorporation of parks, recreation and open space in tourism efforts need to be made at the local and state levels.

Virginia is famous for her history and scenic landscapes. Visiting historic and cultural sites is a major attraction of tourists in the state. Recent tourism initiatives include Virginia's invitation to the world to celebrate the 400th anniversary of the founding of Jamestown in 2007. Festivals, exhibits and educational programs will share the legacies of Jamestown—where our representative government, political traditions, commercial enterprise system, cultural diversity and language began. Visitors will learn about history, while contributing to the economic vitality of the Commonwealth. To a smaller extent, there are annual festivals across Virginia celebrating shared culture, while providing economic rewards for the sponsoring communities.

Scenic views and vistas are also major attractions for travelers. Natural beauty and quality of the view were found to be the most important criteria for tourists seeking outdoor recreation sites, by the Commission on America's Outdoors.

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The Crooked Road

A wonderful example of a community and region assessing their cultural resources and coming up with a plan to promote them and provide an economic boost is the "The Crooked Road", which is Virginia's Heritage Music Trail, a driving route through the Appalachian Mountains from the western slopes of the Blue Ridge to the Coalfields region of the state. The trail connects major heritage music venues in the Appalachian region such as the Blue Ridge Music Center, Birthplace of Country Music Alliance, and the Carter Family Fold. The traditional gospel, bluegrass, and mountain music heard today was passed down from generation to generation and lives on through a wealth of musicians and instrument makers along the trail. Annual festivals, weekly concerts, live radio shows, and informal jam sessions abound throughout the region. In addition, this region is also rich in other cultural and natural assets, particularly crafts and outdoor recreation. A wide variety of traditional handcrafted woodwork, weaving, and pottery can be found along the trail in country stores and small workshops. The lush valleys and rugged mountains offer numerous opportunities for outdoor activities, from hiking and biking to fishing and boating. Complementing "The Crooked Road" is 'Round the Mountain: Southwest Virginia's Artisan Network which is a non-profit organization whose mission is to promote sustainable economic development of the region's communities by assisting local artisans with marketing, educational, and entrepreneurial opportunities. The Virginia Tourism Corporation held a conference in 2006 on "Creating a New Economy in Southwest Virginia – Celebrating Cultural Tourism Partnerships".

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The purpose of the conference was to explore and showcase the cultural assets and opportunities of Southwest Virginia and learn about the emerging creative economy. It is a model worth exploring in other regions of the Commonwealth.

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Value of Recreation Programs

Quality community athletic and recreation facilities can contribute to the local economy. By hosting local, regional, state and national tournaments and events, localities benefit from tourist dollars spent at local businesses, such as hotels and restaurants.

While the direct economic benefits of hosting a sports tournament or a special event may be fairly evident in sale of hotel rooms and meals at restaurants, it takes some time and diligence to demonstrate the long term economic benefits of ongoing, local recreation programs. Youth sports programs, for example, have costs associated with them and when local government budgets are limited, these programs must compete with schools, law enforcement and other important services for local dollars. The long term economic benefits to the community may be tougher to determine, but the evidence is there that participation in youth sports has verifiable benefits that reduce costs to individuals and the overall community. Study after study has shown that participation in youth sports helps reduce juvenile delinquency, increases productivity and supports a healthy lifestyle over the life span. The presence of a quality program of recreation services is certainly an attraction for new businesses and residents.

Selected resources

American Forests

P. O. Box 2000

Washington, DC 20013

(202) 737-1944

<http://www.americanforests.org/productsandpubs/citygreen/>

American Planning Association

1776 Massachusetts Ave., NW

Washington, DC 20036-1904

Phone: 202-872-0611

Fax: 202-872-0643

www.planning.org

American Recreation Coalition

1225 New York Avenue NW

Suite 450

Washington, DC 20005-6405

www.funoutdoors.com

Outdoor Industry Association

4909 Pearl East Circle, Suite 200

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Trails and Greenways Clearinghouse

1100 17th Street, NW 10th Floor
Washington, D.C. 20036
1-877-GRNWAYS (1-877-476-9297)
greenways@railtrails.org
www.trailsandgreenways.org

The Trust for Public Land

116 New Montgomery
4th Floor
San Francisco, CA 94105
(415) 495-4014
www.tpl.org

U.S. Fish and Wildlife Service

1849 C Street, NW
Washington, D.C. 20240
1-800-444-WILD
www.fws.gov

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